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TAGS: [PGOV](#) [PHUM](#) [PINR](#) [RS](#) [SOCI](#)
SUBJECT: MEDVEDEV'S ASSESSMENT - 2008, A YEAR OF DIVERSE
CHALLENGES

Classified By: Acting DCM Kurt E. Amend. Reason: 1.4 (d).

11. (SBU) Summary. Russian President Medvedev took to the air on December 24 to speak on the three most important events of the year past: his inauguration, the war in Georgia, and the economic crisis. He reminded the audience of his legal responsibility as commander-in-chief and took personal responsibility for the decision to send troops into Georgia in August. Medvedev tracked with the tandem message on the financial crisis: emphasizing that the crisis came from abroad; promising to maintain social gains; and disavowing any "radical" moves like the 1998 de-valuation and default, although he did call for "more flexibility" with the ruble. He was on message about military reform plans, expressed cautious hope for an improved relationship with the US, and took a firm position that Ukraine "must pay" its gas debt (even as he called for closer relations with other CIS states). The interview did not make much of a splash in the Russian media, leaving the impression that his performance had far less impact than the Premier's "direct line" call-in show earlier in the month that many saw as evidence of Putin's continued dominance of the tandem. The fact that Medvedev feels he has to reassert his independence from Putin only serves to confirm that analysis. End Summary.

The Year in Review

12. (SBU) Medvedev spoke for an hour and a quarter on the three main government-controlled television stations - Channel 1, Rossiya, and NTV - in a stage-managed interview, hosted by the respective three heads of the their information programs. After highlighting the positives of the year, including sports victories and "creative triumphs," he immediately honed in on two critical events: the war in Georgia and the financial crisis. He spoke with candor and provided insights into his personal experiences as President -- a marked contrast to the normally "business only" Putin.

13. (SBU) Speaking on the war in Georgia, Medvedev recounted his experiences in early August and described how he learned about developments in South Ossetia and his reactions to them. He again placed all blame on Tbilisi for the attack on South Ossetia and defended Russian involvement as morally correct. He expressed pride that the Russian military had "dealt a full and irreparable blow" to the Georgian military with only minimal losses. Emphasizing his authority, Medvedev said that despite his close relationship with Putin, some decisions fell to him alone -- notably ordering Russian troops to battle. He explained that some judgments must be made quickly and that he had "no one to consult" when he gave the order to commit Russian troops. He reiterated that "final responsibility for what happens in the country ... rests on my shoulders alone and I would not be able to share this responsibility with anyone."

Economic Woes...

14. (SBU) Medvedev appeared to follow Putin's lead on the economic crisis and Russia's response, accentuating that the crisis resulted from the US financial crisis, but noting that Russia's comparative lack of economic development created unique challenges. Medvedev promised to defend Russia's social gains, disavowed any GOR default or re-denomination of the ruble, although he called for "a little more flexibility" in the exchange rate, and for business to preserve the workforce -- an appeal that echoed Putin's earlier statement that the goal should be protecting workers rather than maximizing profit.

15. (SBU) Medvedev expressed his pique about what Moscow sees as foot-dragging on implementing decisions made at the G-20 in Washington, including the establishment -- with Russian participation -- of special economic fora. (Medvedev made no mention of the protectionist measures that the government has enacted to protect the automotive and agricultural equipment industries that go against the Washington agreements.) He emphasized that a "national solution" to Russia's economic crisis was not possible, and that difficulties would continue until "our colleagues" abroad came up with suitable remedies.

... Won't Change Priorities

16. (SBU) Despite the economic hardships, Medvedev insisted that his administration's objectives would not change. He promised to protect the social gains made over past years, including wage levels, real incomes, and pension payments (without elaborating how he would pay for those benefits). Moreover, he argued that the Russia must emerge from the

crisis strengthened, using the economic difficulties to increase labor productivity and to make production more efficient. Ultimately, Medvedev returned to the mantra that Russia must become less dependent on natural resource exports and diversify, in order to be better situated to ride out global economic downturns.

17. (SBU) Medvedev also held firm to his administration's plans for military reform. He rejected any suggestion of dropping the one-year enlistment for conscripts, expressed support for plans to cut the number of officers, and reiterated his commitment to transition to service in "combat ready" units. He also repeated his call for re-equipping the military while improving the social situation for soldiers and officers.

Tough on Ukraine

18. (SBU) Medvedev also addressed a few questions about foreign policy issues. He expressed satisfaction with his relations with other world leaders, especially his partners in the CIS Collective Security Treaty Organization (CSTO) and the Shanghai Cooperation Organization (SCO). He said that he hoped for "partnership and nothing else" in his relations with the U.S. and noted his phone conversation with President-elect Obama.

19. (SBU) His comments on Ukraine -- especially his acerbic condemnation of Kiev's military support to Georgia and his insistence that "it is time for them to pay" for their gas debt -- were emblematic of Moscow's public hard line in the gas dispute. In typical Kremlin fashion, he dismissed Ukraine's turbulent democracy as being anything but effective and promised that Russia would meet its commitments to its European gas customers if supplies were cut to Ukraine -- an impossible feat, considering Kiev's control over the export pipeline.

Comment

10 (C) Looking at Medvedev's interview through the prism of inter-tandem politics suggests that his team sought to

balance Putin's impressive performance during the "direct line" call-in show -- political theater that many saw as the Premier's message to the elite that he remains in charge. That Medvedev has to assert his independence as the principal decision-maker suggests a certain insecurity and is at odds with many in the elite who are aware of Putin's direct involvement in the course of events in August. Conversely, Medvedev's acceptance of responsibility for "what happens in the country" could be a first step in setting the President up to take the fall for the potential failure of Russia's anti-crisis measures or potential future actions to protect the political order. Substantively, there continues to be little daylight between Medvedev's and Putin's public commentary and apparent agreement on the proper course for Russia's crisis management and foreign policy orientation. Medvedev's tap dance about the failure of the international community to find solutions to the global economic crisis allows the tandem to continue to blame the "outsiders" for Russia's problems without acknowledging the structural weaknesses of the Putin system.

End Comment.

RUBIN